Outsourcing

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Means to an End

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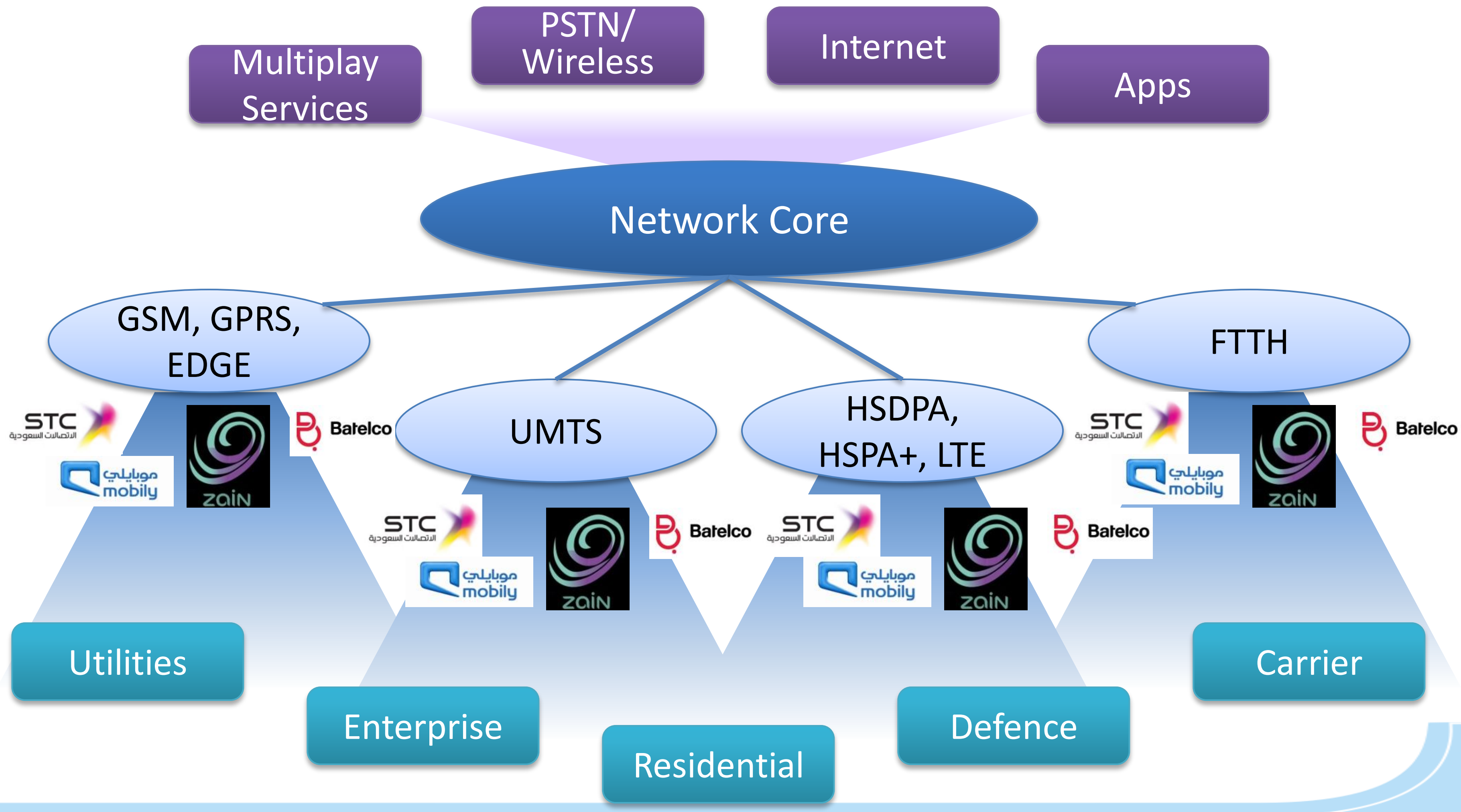
Agenda

- Operator Challenges & Mitigation options
- Outsourcing: Decisive differentiator
- Trends in outsourcing
- Strategic options & Case Studies
- Global Group

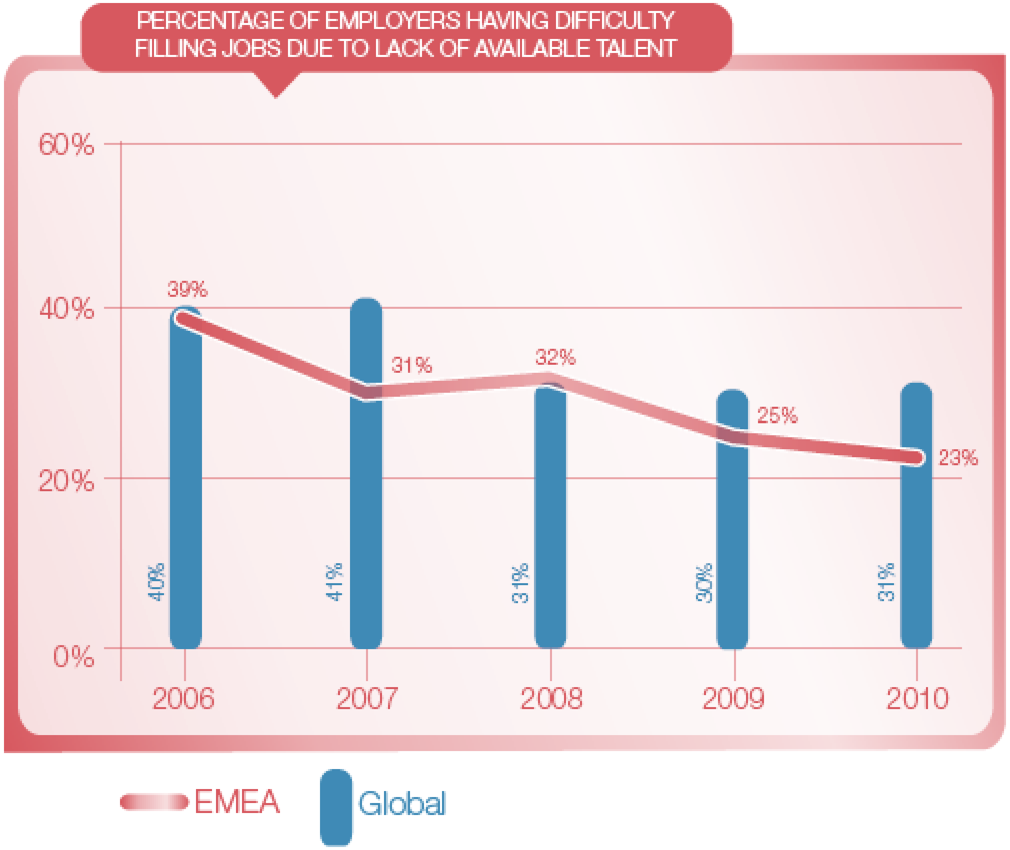
Operator Challenges

Manage multi-technology, multi-vendor networks



Maintain Skilled Manpower

- Engineering
  - Network Planners
  - Network Optimisers
  - Transmission Planners
  - Performance Engineers
  - System Engineers

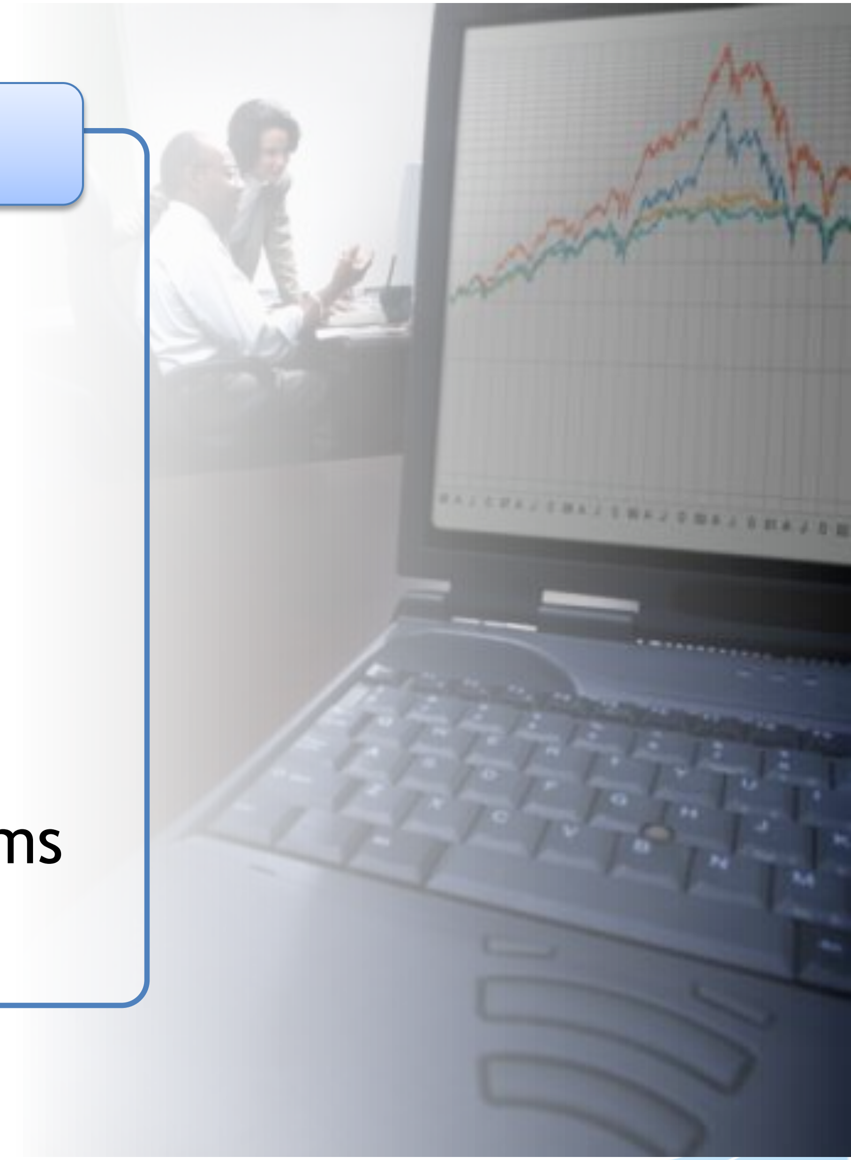


Source: 2010 Talent Shortage Survey Results - Manpower Inc.

Backend Support

MIS and Tools

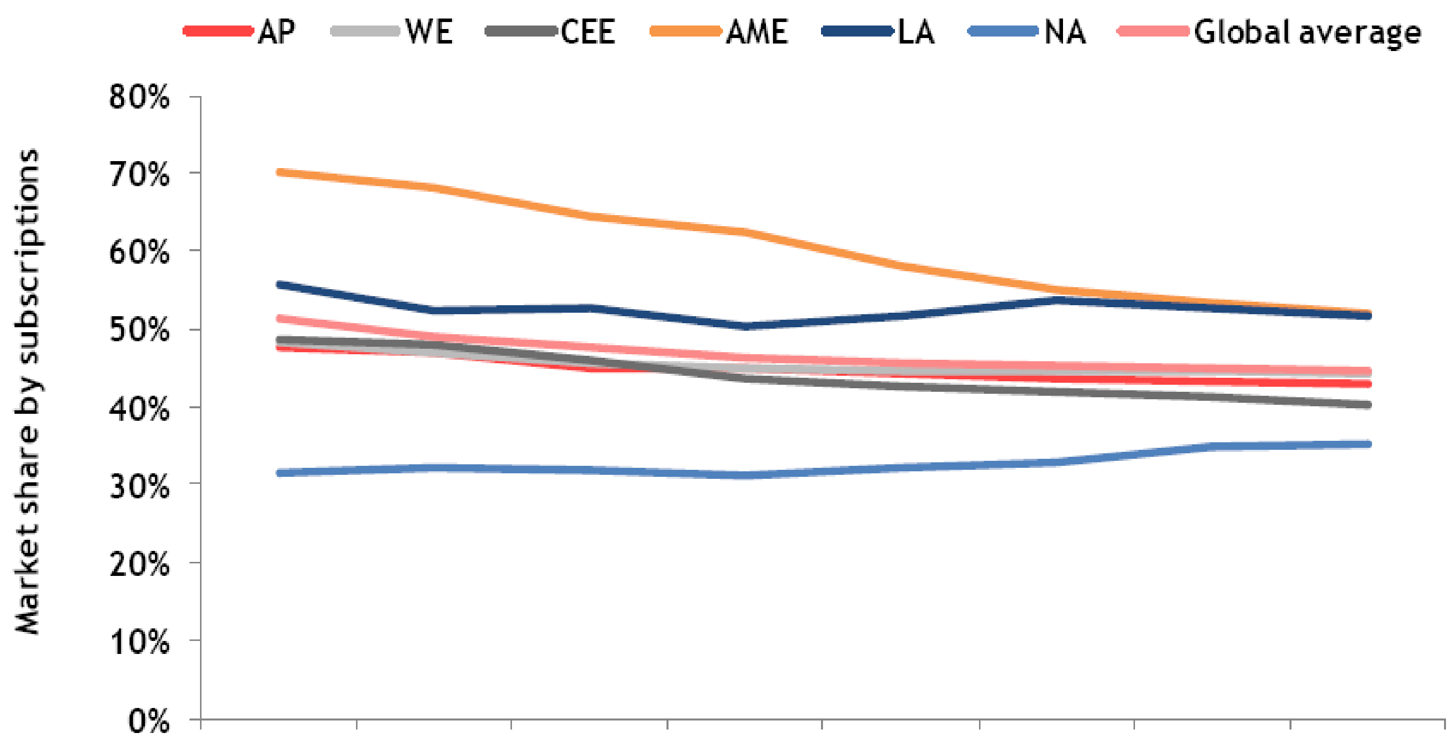
- Asset Visibility & Management
  - Performance
  - Utilisation
  - Growth
- Change management
- Knowledge Management Systems
- Business Intelligence Tools



Over saturation of market in Middle East

Operator at the top - losing market share

Exhibit: Market share for the top mobile network operator by region, 2003-2010



Need for Differentiation

Source: Pyramid research

Source: Arab Advisors Group

The TCCM is calculated by adding the household mainline penetration, cellular penetration, and Internet user penetration rates in each country, to show the extent of connectivity of individuals in a given country.

OPEX Challenge

Growing CAGR but falling margins

- Sub-scale economies
    - Leading to inhibiting growth & expansion
- Limited “differentiation”
    - Need for simplicity while differentiating from competition
    - Quality of Service - vital
- To each his own

  Sharing of Infrastructure – the new world

$E = MC^2$

Reduce complexity & TCO, choose models for

Network Asset Management to right-size infrastructure

Enhanced	=	**M**odel	×	**C**ustomer	×	**C**reativity
Value		*Business*		*QoE*		*Service Innovation*
		Operational				

Technology: Facilitator or Roadblock to op efficiency

GLOBAL endless possibilities

Facilitator

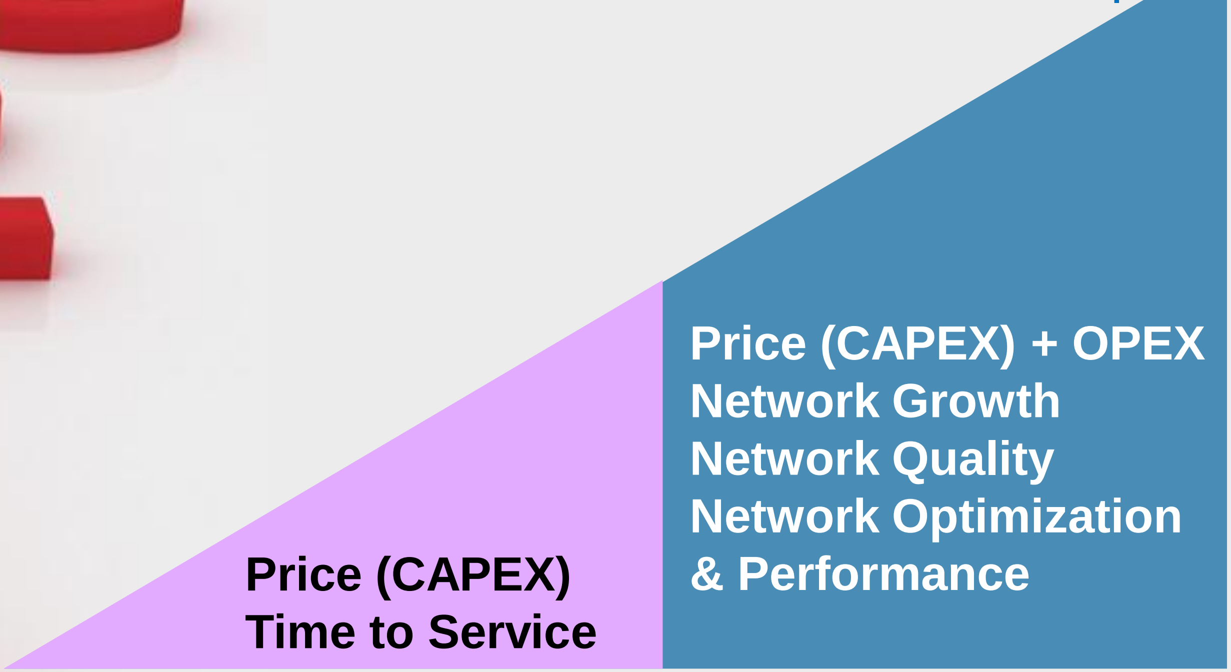
- Smaller footprint
- Ability to remote manage
- Single RAN & active sharing
- Self-healing, self-optimising
- Use one technology to support other (WiMax as a backhaul)

Roadblocks

- Standards focus - increasing capacities; not operational efficiencies
- Inefficient spectrum usage in network overlay
- Confused by choices (WiMAX, LTE, HSPA+, FTTH)
- Multi-skilled resources
- Delivery a laggard - Technology gets ready while delivery mechanisms take time

Decisive differentiator

- Operators' priorities have changed significantly
- Focus on CAPEX & availability will shift towards Total Cost of Ownership



Trends in Outsourcing

GLOBAL endless possibilities

Shift from equipment-oriented mode to Service-oriented mode

From network-oriented management to service-oriented & customer-centric structure

From contract based vendors to fully integrated managed services partners

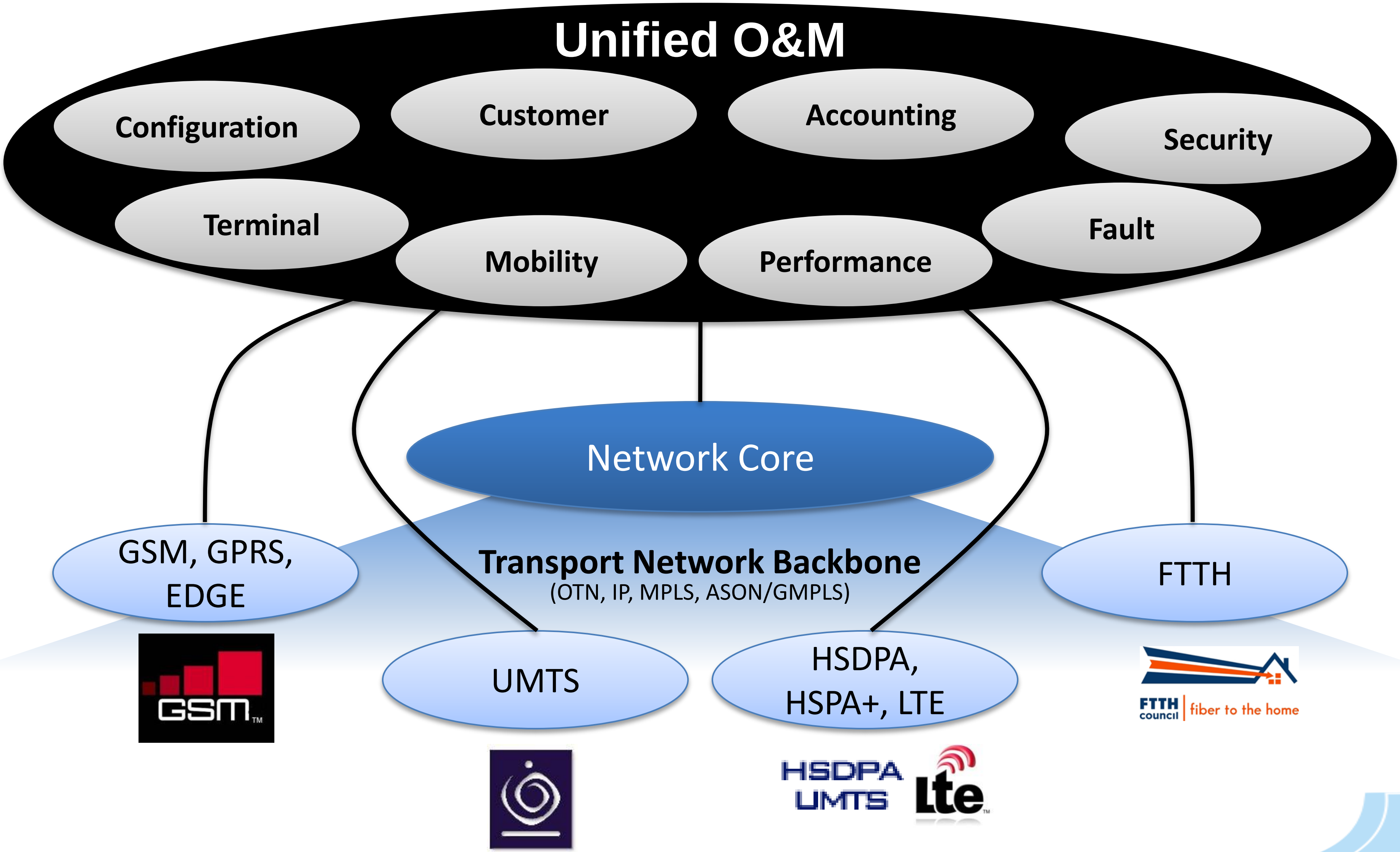
Region wise managed services partners to handle end-to-end planning, deployment and operations of the entire network including access, transmission & core

Shift from decentralized maintenance to centralized maintenance

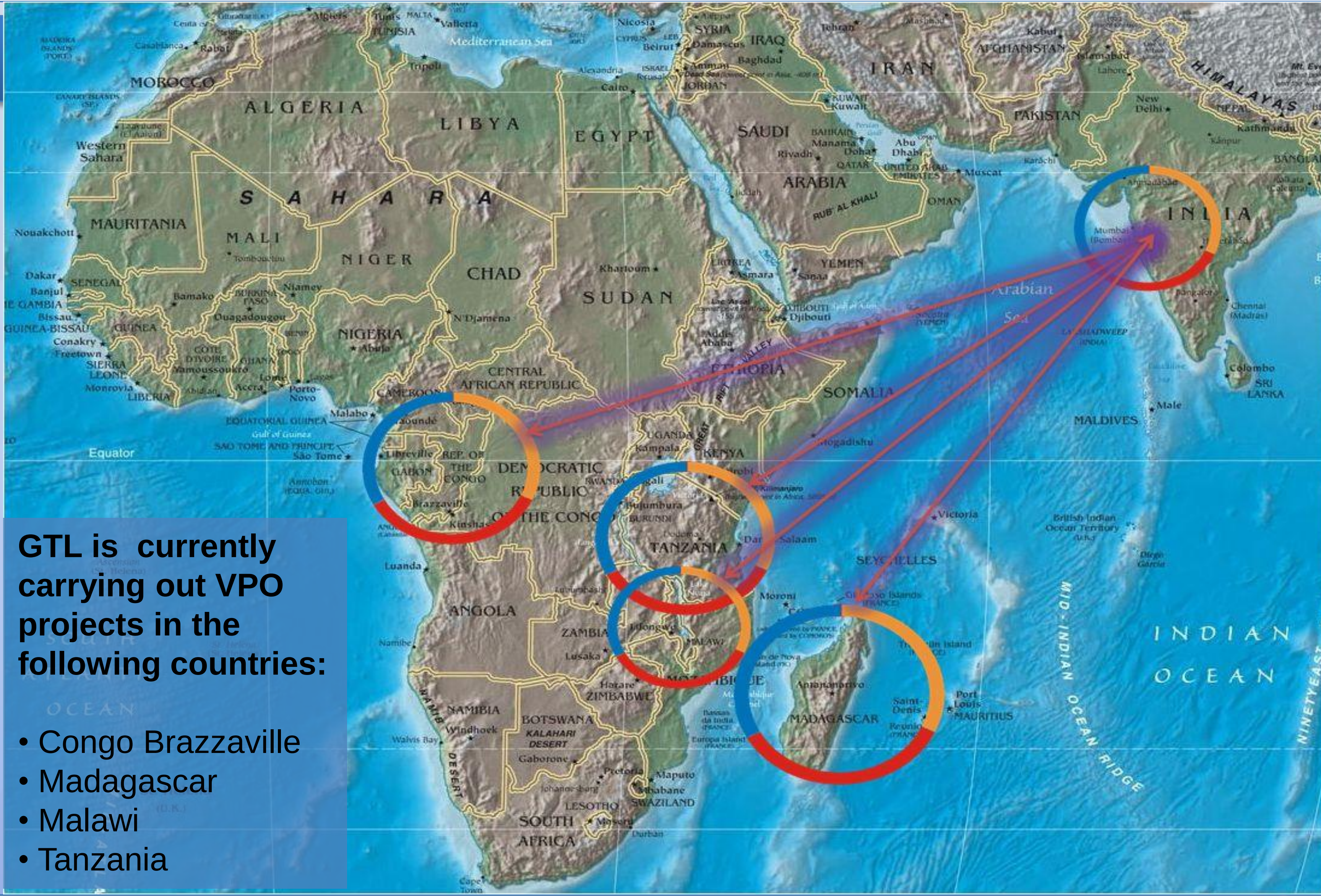
Scattered technical resources centralized in the network management center (NMC)

- O&M efficiency increases
- Network operation quality improves
- Data consistency preserved

Towards a Unified O&M system



Split up centralized and distributed tasks



GTL is currently carrying out VPO projects in the following countries:

- Congo Brazzaville
- Madagascar
- Malawi
- Tanzania

Performance Management

Onsite

Data Collection

Drive Tests

NMS, TT

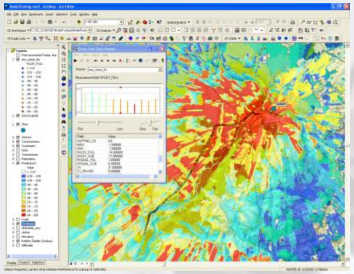
CRM

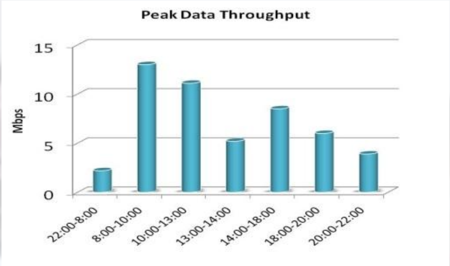
Solution Implementations

Offsite

Services encompass radio network (RF), transmission & core network

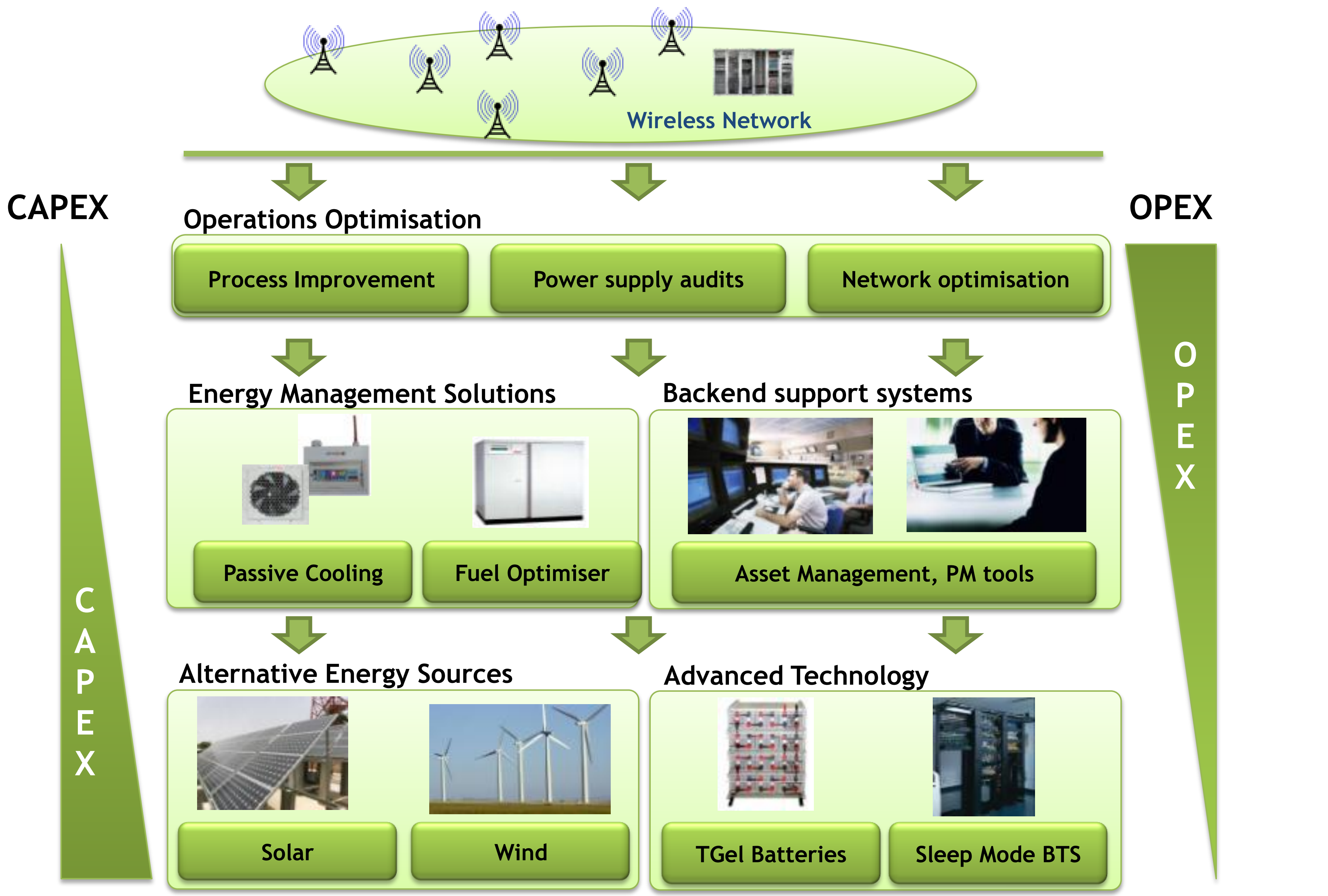
Post Processing & Analysis





Engineers provide reporting and analysis of the performance of the network

Capex Gradient Model – Energy Management



Strategic Options

Managed Capacity

- Pay for capacity model
- Sharing of operating & business risks
- Low TCO
- Align Opex with capacity utilized

Integrated Managed Services

- Vendor & technology agnostic model
- Across operators, tools & people
- Commitment on deliverables- KPI +SLAs
- Sharing of operating risks

Outsourced Consultancy

- Operator invests in the network
- Recommendations of independent consultancy
- Consultancy firm does not benefit by the sale

Managed Services Model

CAPEX & OPEX reduction, free resources & focus on core business

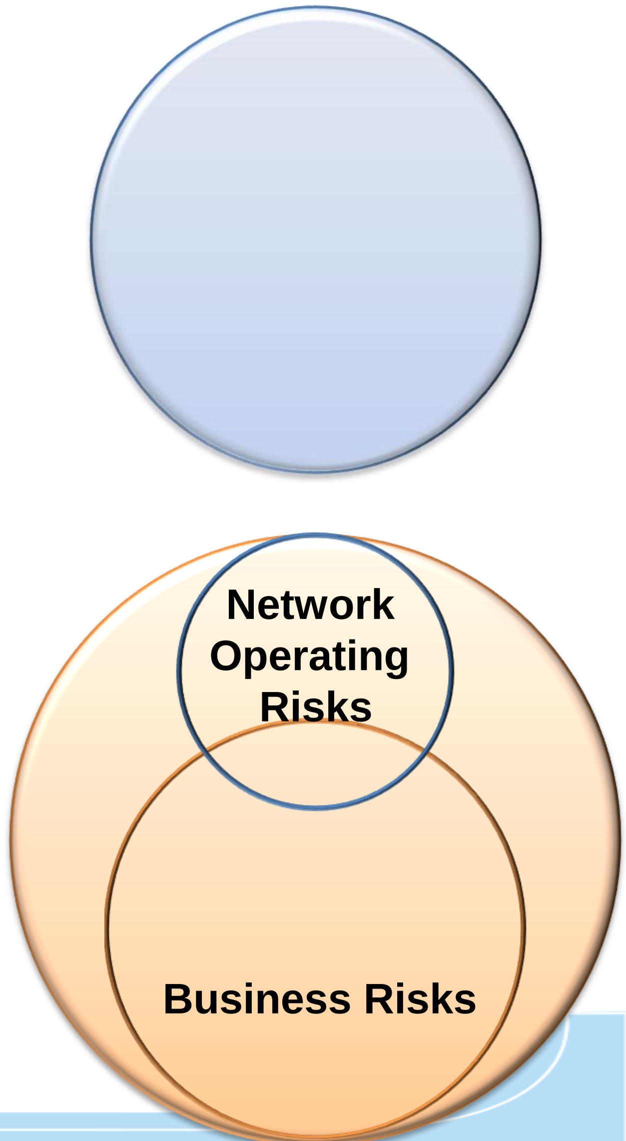
Operator concentrates on marketing & growing the business

MS provider builds & manages the network

Operator benefits from significant reduction in OPEX as expertise of MS provider are utilized

Payout to MS provider depends on network performance KPI and SLA

Managed Services Provider



Network Operator

...Managed Services

Merits	Demerits
Operator can focus on core business	OPEX not associated to network usage
Optimisation on infra requirements	Discomfort from lack of ownership
Low Total Cost of Ownership (TCO)	Data Security
Payment linked to KPI/SLA of network	Meticulous negotiations & agreements
Avoids management of multiple vendors	Heavy reliance on partner skills
Manpower optimisation	Resource transition challenge

Which model fits my need ?

First time Outsourcing

- Begin with ***Outsourced Consultancy***
  - Access to expertise & best practices

Have Outsourced before…need more

- ***Managed Capacity***
  - Low TCO: primary driver is Savings of up to 20% in technical operations
  - Off shoring a valuable ingredient

Robust Outsourcing already in place

- ***Managed Services***
  - Sharpened management focus on end customers, brand and business
  - Performance Quality contributing to service differentiation
  - Economies of scale

…… and which partner ??

GLOBAL endless possibilities

Technology & Skills

- Multiple technologies + skill set diversity
- End-to-end know-how & capacity to plan, operate & optimize n/w
- Delivery focus on ensuring high availability & quality of experience

Presence

- Execute locally - serve multiple markets (learn & deliver not experiment)
- Centralized core functions and distributed field force

Risk Appetite

- Willingness to put skin in the game
- Take harsh SLAs mandates under contract
- Ramp up in new territories & show early commitment to deliver

Global Group Profile

23 Years of Service in telecom industry

Group Revenue of US$ 1.5 Bn for FY 11E

Group Balance Sheet size of US$ 5 Bn as on March 11E

Aggregate Market Cap of US$ 2 Bn*

Project Execution in 46 Countries over 70 Networks

Access to over 35,000 dedicated and highly skilled manpower by FY11E

GLOBAL Group

The Group is focused on Network Services and Shared Telecom Infrastructure

*Note: Conversion rate assumed at Rs. 46 = 1USD across the document ; *Market Cap calculated on fully diluted basis as on Sept 30, 10*

GLOBAL
endless possibilities

Active Infrastructure Services
(Global Rural NetCo)

Professional Services
(Global InnovSource)

Passive Infrastructure Services
(GTL Infra)

Back office Management
(Global ProServe)

Network Services
(GTL Limited)

Tower Manufacturing
(Global Towers)

Entire spectrum of outsourced telecom solutions

Network Services for Telcos & OEMs

Professional Services

- Network Design Services
- Field Engineering Services
- Project Management services
- Technical Helpdesk Services
- NOC Operation Services
- Backend Engineering Support

Network Planning & Design

- RF Planning & Design
- RF Optimization
- Transmission Planning
- Benchmarking & Auditing
- In - Building Solutions
- Virtual Planning & Optimization (VPO)

Infrastructure Management

- Program Management
- Site Expansion Management
- Site Engineering Services
- Shareability Assessment
- Helpdesk

Network Services for Telcos & OEMs

Network Deployment

- Site Engineering
- Management Services
- Site Implementation
- Acceptance Services
- Site Documentation

Network O&M

- Network Monitoring & Operations
- Network Field Maintenance
- Technical Support and Process Management
- Logistics & Vendor Management
- Transition Management

Energy Management

- Energy Audit of Telecom Infrastructure
- Process Improvements & Best Practices
- Technology up gradation
- Alternate sources of energy


Questions ??